

181 Cedar Street

Developed by



181 Cedar Street LLC

In Cooperation with the

City of Somerville



INFORMATION AND APPLICATION PACKAGE

Property Description
181 Cedar Street

181 Cedar Street LLC is offering one (1) condominium units to qualifying low to moderate-income households who *live or work full time* in Somerville at an affordable price through the City's Inclusionary Housing Program. The affordable condominium is part of a six unit complex located near Magoun Square and the bike path at 181 Cedar Street.

Through Somerville's Inclusionary Zoning Ordinance, one two-bedroom unit will be sold to a first-time homebuyer with a household income at or below 80% of area median income (see eligibility chart under Eligibility Requirements) and is limited to a minimum household size of two (2) people. Eligible buyers must again live or work full time in Somerville.

Unit 4 is a two (2) bedroom, two (2) full bath unit. It will be offered to a household earning at or below 80% of the area median income. To be eligible for this unit, the minimum household size must be two (2) people. The sale price will be \$170,380.

As an Inclusionary Housing Unit, the condo will have a "deed rider" that will be recorded along with the deed and mortgage at the time of purchase. This means that the price at which the unit is resold will be restricted, and any subsequent owners will also have an income of no more than 80% of the area median income and will ensure that the unit remains affordable in the long term.

Information Session: The City of Somerville will be conducting a mandatory information session on

Thursday, October 3, 2013 at 6 pm at the Somerville Central Library

79 Highland Ave Somerville, MA 02143

The following pages describe the eligibility requirements for this unit and how the lottery process works.

Applications will be made available to interested buyers at this Info Session.

Completed Applications, with all the necessary supporting documents, must be submitted to the City of Somerville Housing Division at 50 Evergreen Avenue no later than **4:00 PM on Thursday, October 24th, 2013**. Applications received after the deadline or which are incomplete will not be eligible.

Eligibility Requirements

Households who either Reside or Work full-time in the City of Somerville

Applicants must have their primary residence within the City of Somerville and must provide a utility bill, copy of a lease, or voter registration as proof of residency.

Applicants working full-time in the City of Somerville must provide a letter of employment signed by the human resources director with contact information.

First-Time Homebuyers

Applicants must be first-time homebuyers. A person shall be considered a first-time homebuyer if no person in his or her household has, within the preceding three years, owned a home or owned an interest in a home.

First Time Homebuyer Training Class

Applicants must have taken a first time homebuyer training class within 3 years from the date of application, or currently be enrolled in a class and provide documentation of such. For area classes, please visit the Citizens Housing and Planning Association website at: <http://www.chapa.org/looking-for-housing/homebuyer-workshops>

Household Size

Applicants must be in a household with two (2) or more people, as determined by the number of bedrooms in the unit.

Income Eligibility

In order to be eligible to purchase this unit, annual income must be within the guidelines listed below. While there is no minimum income required, applicants must be able to support a sufficient mortgage for the unit. The bank of choice determines what income is sufficient for a mortgage.

The combined annual gross income from all sources for all income-earning members of the household must not exceed 80% of area median income, depending upon the unit by household size, as indicated below:

Maximum Annual Income

HUD Maximum Area Median Income		
80% AMI		
2 Person	3 Person	4 Person
\$53,900	\$60,650	\$67,350

Bank Pre-Approval Financing

Applicants are required to submit, as part of their application, a **pre-approval** letter for a mortgage in an amount sufficient to purchase the unit.

Local participating lenders have agreed to provide this service free of charge (see Bank Contact List enclosed).

Note: Pre-qualification letters will not meet this requirement.

Pre-approval letters from Internet banking sites do not meet this requirement.

Pre-approval letters subject to credit, employment, or asset verification do not meet this requirement.

The mortgage must be a 30 year, standard rate, fixed mortgage.

Applicants must have at least three percent (3%) of purchase price available for down payment and sufficient funds to cover closing costs for the transaction.

**Mayor's Office of Strategic Planning & Community
Development**

Inclusionary Housing Program

PARTICIPATING BANKS & LENDING INSTITUTIONS

*You are by no means required to contact a bank on this list, and
you can contact any bank of your choice.*

Winter Hill Bank
342 Broadway
Somerville, MA. 02145
(617) 666-8600
Contact: Larry Gold

Wainwright Bank
250 Elm Street
Somerville, MA. 02144
(617) 478-4000 ext.384
Contact: Sonia Payne

Cambridge Savings Bank
1374 Massachusetts Avenue
Cambridge, MA.02138
(617) 441-4137
Contact: Rick Garber

Leader Bank
180 Massachusetts Avenue
Arlington, MA 02474
781-646-3900
Contact: Donna Haynes

East Cambridge Savings Bank
292 Cambridge Street
Cambridge MA 02141
(617) 354-7700

Boston Private Bank and Trust
401C Centre Street
Jamaica Plain, MA 02130
Tel: 617-912-3991 Fax: 617-830-9829
Contact: Diana Carvajal-Hirsch

Lottery Process

Lottery Drawing: The lottery will be held at City Hall Annex, 50 Evergreen Avenue at 6:00 pm on Thursday, October 24, 2013. Applicants need not be present, but are encouraged to attend.

Lottery process

Households submitting a complete application prior to the deadline will be screened for eligibility based on the guidelines described above. Applicants will be informed of eligibility prior to the scheduled lottery drawing. There are no preferences for this lottery and all eligible applicants will have an equal chance of being selected.

Applicants will be selected at random at the lottery and will be numbered in the order they are drawn. The first applicant drawn for each unit will have the first opportunity to purchase the unit. This applicant will have one (1) week to certify their eligibility with the City. If they are determined to be ineligible, the second applicant drawn at the lottery will be notified and given one (1) week to certify. This process will continue until an eligible applicant is determined.

Once certified, the buyer will have a private home inspection done, and then enter into a Purchase and Sale Agreement with the owner. The buyer will formally apply for a mortgage loan with their chosen lender and then the buyer and owner will agree to a mutually convenient closing date.

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Description of Deed Restriction

This opportunity to purchase an affordable unit at a significant discount from a market rate unit is being offered through the Somerville's Inclusionary Housing Program. This requires that the unit remain affordable for future buyers.

If you are selected to purchase this unit, you will sign a "Deed Rider", which describes the restrictions on the unit and your responsibilities. These restrictions will remain with the unit for the life of the building and will apply to you and all subsequent owners. Further rights and responsibilities are also set out in the Affordable Housing Restriction. Copies of the Restriction will be provided upon request to all prospective buyers, and to those who ultimately move forward to purchase the unit.

The following is an overview of the most important aspects of the Deed Rider and is meant for informational purposes only. If selected, you are strongly encouraged to seek legal advice and we do require that you review the total document.

- **Principal Residence:** The property/unit must be used as your primary principal residence.
- **Refinancing:** Expressed written consent must be obtained from the City of Somerville OSPCD, Housing Division prior to Refinancing your loan. The City must calculate the resale price for you at the time of refinance, and the unit may not be encumbered for more than the then current resale price.
- **Notice to the City of Somerville when selling your home/unit:** When you want to sell your home, you must contact the City of Somerville, OSPCD Housing Division or designee. You must submit written intent to sell. OSPCD will calculate the Maximum Affordable Sale Price using the same formula used to calculate your original sale price found in the Somerville Zoning Ordinance 13.3.3. If your unit is restricted to 80% AMI, it will always remain affordable to 80% AMI households. After the City has been notified and has calculated your resale price, you have the choice of having the City help market your unit when you sell, or doing it yourself or hiring a broker.

Resale Process:

Once the City calculates the affordable sale price, the owner may elect to market the unit independently or request the City's assistance in locating a buyer. In all cases, the buyer must meet income and asset criteria and the City must certify their income. A deed- restricted unit cannot be resold without the City's Compliance Certificate, which must be recorded at the time of sale.

For questions regarding the application, eligibility, or the lottery process, please contact Vicki Wairi at 617-625-6600 x2588 or via email at vwairi@somervillema.gov